

Register No.

Minute Sheet No.

1.

12.8.26. Information re Baron H. von Kest, O. von Kussell (1a)
 & E. A. Karoundjoff.

2.

H.O. w. Taken out by Scotland House (2a)

3B

To see H.O. papers at 1a please -
 report of the examination of three
 individuals at the port.

Ans.

V.P.S.

17.8.26.

4.

B/3. (Captain Tomlins).

To see copy of H.O. papers at (1a). I do not know why Mr. Mugliston should think we know anything about these people, and if he considered the case was of any real interest to us, we certainly ought to have heard of it more promptly - these men actually arrived here on June 24th.

As a matter of fact, I do not see that we are really interested at all. It is possible, however, that the information in the I.O.'s report may interest you. As far as the men themselves are concerned, I certainly do not think that there is anything about the German, Otto von KURSELL, that calls for any action on our part.

I observe that Scotland House are making enquiries, and suggest that, if you are interested, we should ask that they will let us know the result.

B/1.

18/8/26.

1190

A.2. (Maj. Phillips).

In view of Von KLEIST and KURSEL being in some way connected with Sir Henry Petherding in regard to the exploitation of naptha, and also in some way connected with the Shell and Dutch Oil Companies, perhaps you might be interested in the report at (1a).

Our friends in the City might also be able to give us a little further information. Could this be arranged, please? This would enable us to decide whether we are interested or not - see Minute 4.

B.3.
1.9.26.

6.

29.11.26.	To Miss Allen re Von KLEIST and others.	6a
	7.	
1.3.27.	Extract from M.I.I.c. report CX/8825, mentioning von KLEIST, KURSEL and MANTEUFEL.	7a.
	8.	
31.10.28.	Extract from M.I.I.c. report CX/ /V re von KLEIST.	8a.
	9.	
7.11.28.	To M.I.I.c. in reply to (8a).	9a.
	10.	
14.3.29.	From M.I.I.c. (Copy of CX/ /V.) re von KLEIST.	10a.
	11.	
25.3.29.	To M.I.I.c., in reply to (10a).	11a.
	12.	
27.3.29.	From M.I.I.c. CX/ /V. Report re Von KLEIST.	12a.
	13.	

Note.

The information regarding the persons mentioned in M.I.I.c. reports in this file - (8a) - (12a) - has been given to us in connection with our investigations into the activities of the Deutscher Uberseedienst.

Beyond the carding of names for future reference if necessary, which has been done, no action seems necessary.

Information of this kind, while occasionally useful for purposes of identification, is otherwise of little practical assistance, if any, in our efforts to clear up the activities of the Deutscher Uberseedienst in this country.

B/1.
13/4/29.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958
Nov 101

Register No.

Minute Sheet No.

14.

21/9/31. M.I.1.c. report re KLEIST and MEYERSON.

14a.

15.

23.8.32. Intercepted letter from POWELL to SALTZMANN
mentioning KLEIST.

15a,

16.

3.8.33. Copy of card in Traffic Index for Arrival of
Scharif KAROUMDJIEFF.

16a.

17.

B.

Please see 16a. I am pretty sure this man's visit
is connected in some way with the Anglo-Ukrainian
committee.

S9.
17.8.33.

ON HER MAJESTY'S SERVICE

PFR.4072

PRESS CUTTINGS RE FORGERY PLOT

FORMERLY IN SZ 692

CODE No. 27-31

ANTI-SOVIET PLOT DISCLOSURES.

SUPPORT SOUGHT IN
LONDON.

GENERAL & ENGLISH POLITICIANS.

FROM OUR OWN CORRESPONDENT.

BERLIN, Tuesday.

"Leading English political personalities" were mentioned during to-day's hearing of the great Soviet bank-rate forgery trial.

According to the evidence of the defendant Weber, financial support was sought in London for the plot to flood Russia with millions of spurious "cherwonetz"—or Soviet bank notes.

To secure English support, General Max Hoffmann (German Commander-in-Chief on the Russian front during the war) went to London.

Everything in London was arranged and an agreement was on the point of signature when, according to Weber, a "mysterious occurrence" and "indiscretion on the way from Berlin to London" upset the entire plan.

In reply to a question from the Bench as to the persons with whom Hoffmann conferred in London, Weber said:

"He negotiated with the leading political personalities whose names are familiar to everyone with knowledge of the circles at the head of the anti-Bolshevik movement in England."

The defendant added that the most important point dealt with in London was "the settlement of the financial question."

SUGGESTIONS FROM PARIS.

Replying to a further question, Weber said that the money hoped for from England was to be used not merely to promote a rising in the Caucasus, but also for the support "of an active national centre in Germany."

Other evidence showed that the idea of co-operation between the German and Georgian conspirators had originated with the latter and had first been put forward by their organisation in Paris. It appeared, however, from Weber's testimony that the participants in the plot had been on excellent terms with the Munich police and had regularly supplied the Bavarian Government with information as to the activities of the Bolsheviks and Communists.

In London Day by Day, on Page Ten, will be found particulars of a mysterious visit paid to our contributor some eighteen months ago in connection with schemes against the Soviet.

The Anti-Bolshevik Plot.

THE revelation of a widespread plot to overthrow the Bolshevik régime in Russia, exposed in the Berlin criminal courts and reported in THE DAILY TELEGRAPH yesterday, brings to my mind a curious visit which I received some eighteen months ago.

My visitor, who had obtained a somewhat unusual form of personal introduction, claimed to be an Englishman associated with a company the particulars of which will not be found in the Stock Exchange Year Book or the Directory of Directors.

He unfolded to me a remarkable story of an organisation which was being formed by a Russian, referred to as "the friend," who at one time held a post under the Soviet Government in New York.

The plan which he described was seemingly more fantastic than the creations of the more vividly imaginative writers of fiction, and was based on a world-wide economic blockade of Soviet Russia.

To this end the Soviet system of creating "cells" and "nuclei" was being adopted, and picked men in the leading capitals throughout the world were to conduct a series of operations against Soviet trading organisations abroad.

WHEN, in the view of "the friend," whose name subsequently came into my possession, sufficient disorganisation had been caused to bring about financial chaos in Russia, armed revolution was to be let loose, culminating with the taking of Lenin's mausoleum.

My visitor was anxious to enlist the interest of some wealthy Englishmen, and mentioned one or two names. But I need hardly add that these wild schemes, in which wholesale murder clearly played its part, outlined, as they were, in the quiet of bachelor chambers in St. James's, did not appear to me worthy of closer consideration.

SIR

X ref as shown

~~DACSB~~

To me please. I think the attributions opposite B are correct. You remember we suspected provocation in connection with the elections

8/1/30

8/1/30

Lucien *SIR* *card 5 m* *Daily Telegraph* *7.1.30*
627...

FORGERY PLOT AGAINST THE SOVIET.

692.

SPURIOUS NOTES TO WRECK CREDIT.

STRANGE STORY OF CONSPIRACY IN BERLIN COURT.

GERMAN GENERAL AND OIL MAGNATES SAID TO BE INVOLVED.

PRELIMINARY TO AN ARMED ATTACK.

An extraordinary plot to overthrow the Bolshevik régime in Russia, by first undermining its economic foundations with a flood of spurious notes and then launching an armed attack from Georgia, was described in the Berlin Criminal Courts yesterday.

Representatives of the German Foreign Office and of the Bolshevik Embassy were in court, and it is believed that the further hearing of the case will yield interesting political disclosures.

It is regarded as beyond doubt that the conspirators had the active support of General Max Hoffmann, the Chief of Staff, and virtual Commander-in-Chief of Germany's Eastern front during the latter stages of the War.

Further, circumstantial statements that the plot was financially backed by big international oil magnates have been widely circulated in the Berlin Press.

The accused consist of a Russian, Shavla Karunidze, a former professor, and six Germans, and they are charged with forgery.

The plan was to flood Russia with millions of spurious "chervonetz" notes, and the conspirators had printed some thousands of almost perfect specimens before they were detected.

The forgery of French francs in Hungary by Prince Louis von Windisch-Gratz is supposed to have been the model followed.

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(see have pp)
Wm

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THOUSANDS OF BOGUS NOTES PRINTED.

From Our Own Correspondent.

BERLIN, Monday.

Karunidze is an educated man with a Moscow degree. Before the war he was a professor of history at Tiflis, and he was one of the signatories of the memorandum sent to President Wilson by the League of National Minorities in Russia.

After the first Russian revolution he was a member of the Georgian National Council, which was eventually suppressed by the Bolsheviks.

According to his ready admissions, great advances had been made with the first stage of the plot before it came to the knowledge of the German police. By means of a forged letter, purporting to come from the directors of a non-existent "Banque Turque-Perse," the conspirators induced one of the leading Munich manufacturers to supply them with 100,000 sheets of the finest watermarked paper. This item alone cost them £1,600. Plates for printing the notes and the necessary machines were obtained in Munich, Prague, and other towns.

Who supplied the funds for the equipment of the secret printing shop the defendant resolutely refused to say, just as he kept silence as to the sources from which it was proposed to finance an insurrection in Georgia and keep it going for at least six months.

When their plant was ready the defendants printed between 13,000 and 14,000 chervonetz notes (the chervonetz is nominally equal to £1). This first batch Karunidze described as a "trial impression." It was the intention of the defendants to produce such forgeries to the value of many millions sterling.

The falsifications were so near perfection that they were accepted without challenge by leading banks in Berlin, Munich, Frankfort, and other large German towns. It was only after the most minute examination that the note experts of the Reichsbank succeeded in distinguishing them from genuine Bolshevik paper money.

When once their spuriousness had been discovered it was not found difficult to trace them to their source, and the defendants were arrested. That was more than two years ago.

Karunidze, who gave his evidence through an interpreter, repeatedly emphasised the

patriotic character of his participation in the plot. On one occasion he shouted out, with flaming cheeks and flashing eyes:

"I can only repeat that I have but a single aim, and this I will keep before my eyes till I die. Georgia must be free, and it is all the same to me whether I must fight for her freedom against Tsarism or against Bolshevism."

Attempts by the bench to wring from Karunidze the names of any of his accomplices not actually in court were quite fruitless, and he was ordered to stand down, and the hearing was adjourned till to-morrow. It is expected to last at least three weeks.

NOTES FOR £5,000,000 SEIZED.

30 VOLUMES OF EVIDENCE.

Besides Karunidze and another Georgian, whose name is given as Sadathierashvili, the accused Germans (says Reuter) comprise a Munich printer, named Schneider, his foreman, named Kipping, a Berlin professor, Dr. Becker, a Munich engineer, Dr. Weber, and the owner of a bookshop at Frankfort, near Berlin, and one Wilhelm Schmidt, whom the other accused describe as an agent provocateur.

Baron von Steinheil, Rasputin's former private secretary, cannot be tried, as he is domiciled in Paris, and the French authorities refuse to hand him over to the German police.

The investigation has lasted over two years, in the course of which the examining magistrate had to travel to Munich, Hamburg, and Frankfort. Foreign police authorities have also been asked for their assistance, as, for instance, those in Moscow, Paris, and Lisbon.

The investigation has so far yielded thirty volumes of documents. Forty witnesses have been summoned, as well as a number of experts.

About 24cwt of paper, with water-marks, sufficient to produce chervonetz banknotes to the value of £5,000,000, have been seized by the police, as well as a trunk with stereotype plates.

The names of well-known Bavarian politicians like General Kress von Kressenstein and General von Lossow are mentioned in connection with the trial.

Card

SZ/ 692

Daily Mail.

Feb. 10th 1930.**SOVIET FURY.****FORGERY PLOT TRIAL
ACQUITTALS.**

FROM OUR OWN CORRESPONDENT

BERLIN, Sunday.

The trial of Professor Karumidze, the Georgian patriot, and his eight associates for forging Soviet chervonetz rouble notes, which began here three weeks ago, ended yesterday with the acquittal of all the prisoners.

The news has been received in Moscow with great anger, for the forging of Soviet money, which was admitted, was alleged to be part of a grandiose scheme to overthrow Bolshevik rule in Georgia, and the Soviet Government has done everything in its power to get the plotters convicted.

The case against them was dropped in 1928, but the representations of M. Krastinski, the Soviet Ambassador in Berlin, led to its revival. That was as far as the German Government could go to please the Moscow tyrant.

The prisoners were acquitted on the ground that the general amnesty for political offences applied to them, but the judge went out of his way to say that they had made no personal gain by their forgeries, and that they believed that what they did might be of benefit to Germany.

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Daily Telegraph

10. 2. 30

SZ/ 692

NOTE FORGERS ACQUITTED.

PUBLIC PROSECUTOR TO APPEAL.

SEVERE BLOW TO THE BOLSHEVIKS.

FROM OUR OWN CORRESPONDENT.

BERLIN, Sunday.

"A blow of the fist at the Soviet Union" is what one of the Berlin organs of the rulers of Russia calls the chervonetz (Soviet bank-note) forgery case judgment by which all the defendants go scot free.

"It is a declaration of war against the Soviet Union," says another of these Press agents of the Moscow junta.

"Through the acquittal and amnesty of the chervonetz forgers" we are assured "it is once more clearly proved that Germany is surpassing all other countries in the fight against the Soviet Union."

The "millions of the proletariat army" are invited to reply by concentrating more solidly than ever on "one determination, one idea, and one aim; the defence of the Soviet Union and the erection of the proletarian dictatorship in all capitalist countries."

It is not mentioned by these papers, as by the rest of the Press, that the Public Prosecutor, who alone among those concerned is amenable to Government influence, intends to appeal against the judgment in its entirety.

On the main counts of the indictments, the defendants are exonerated by the Amnesty Law of July, 1928, which grants full pardon for political offences committed before that date. Apart from that remission the chief defendants would have been convicted and sentenced. By their own confessions the Georgians, Karunidze and Sadatirashvili, forged a large number of bank notes at Munich, and tried to forge still more in Frankfort.

"PURELY POLITICAL MOTIVES."

A plea of the defence that the chervonetz, the export and import of which are forbidden by the Bolsheviks, is not money within the meaning of the German law, was rejected as untenable. But the Court took the view that all the defendants, without exception, were actuated by purely political motives, and not by considerations of personal gain. It further accepted the plea that the Amnesty Law applies to foreigners as well as to German nationals, so that the benefits of this statute were extended to all the defendants.

The judgment is not received by the whole of the non-Communist Press without criticism. Though the purity of the political motives of the two Georgians is hardly challenged, doubts are expressed as to whether all the German defendants were actuated solely by idealism. The Court, however, found that "the Germans accused joined with the Georgians for mutual support in the promotion of their respective political aims. In the case of the Germans, these aims were primarily to help Germany at home and abroad, according to their political standpoint, and to make use of the assistance of the Georgians, while at the same time supporting them in their plans."

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M. A. N. 5. 2. 30.2. DETERDING and the incident of the forged Chervontsi.

Bruce Lockhart informed M.A.N. some time ago that he had read in the "Vossische Zeitung" about Deterding's alleged connection with the Chervontsi forgeries and that it was proposed to blaze the matter in the Beaverbrook press here. He knew that M.A.N. ~~was~~ connected with Deterding and wanted to hear his views. M.A.N. said that he had no definite information but that he thought it extremely unlikely that Deterding would have anything to do with a matter of that kind, and, moreover, that if anything appeared in the press here in definite terms it was quite probable that Deterding would bring a libel action against the paper concerned. This steadied Bruce Lockhart and the Chervontsi story was only related in the Londoner's Diary in guarded terms, Deterding being referred to not by name but merely as a big London financier. M.A.N. then took steps to get into touch with Deterding and received from him a definite assurance that he was wholly unconnected with the forgery business but that he had seen General Hoffman and knew his views. He ^{insisted} ~~learned~~ moreover that his denials ~~should~~ ^{be} given full publicity in the "Daily Express", ^{following} ~~following~~ which he would consider taking legal action. This information was conveyed to Beaverbrook, who caused a front page denial to appear on the following day "British Oil King's Reply, etc", or words to ~~this~~ effect.

FORGED NOTE TRIAL INCIDENT.

'THE DAILY TELEGRAPH'
REPORT.

FULLEST ACCOUNT OF THE CASE.

FROM OUR OWN CORRESPONDENT.

BERLIN, Tuesday Night.

A copy of "The Daily Telegraph" of Friday last was put in this morning by the advocate, Herr Ber, in the course of his pleadings for the two Georgians, Karunidze and Sadatirashvili, who are being tried here for forging Bolshevik paper money.

The German public, said Counsel, had been very inadequately informed by its Press of the political bearings of the case, and he handed to the bench a copy of "The Daily Telegraph," because Sadatirashvili's declaration as to the forgery of money by the Soviet Government was given there with much greater prominence.

Since this declaration was made five days had already elapsed without the Soviet Government considering it necessary to react in any way to the charges made against the persons named.

Another document submitted was described by counsel as the protocol of a consultation which took place in London between General Max Hoffmann, the Georgian leader, Khedya, Sir Henri Deterding, and Mr. Locker Lampson, whom he described as Under-Secretary for Foreign Affairs.

A 1919 INTERVIEW.

This document, for the authenticity of which counsel proposed to call General Hoffmann's widow, Sir Henri Deterding, and a representative of the British Foreign Office, proved, however, to be only the "order of the day" drawn up for the meeting by General Hoffmann and Karunidze. It is merely an exhaustive elaboration of the anti-Bolshevik programme long advocated by General Hoffmann, and first brought to the notice of the British public in an interview with him published in THE DAILY TELEGRAPH as long ago as 1919.

Counsel could not, of course, deny the forgeries, and his pleadings rested on two main arguments:

That since the Bolshevik Government did not recognise as valid its own paper chervonetz (banknotes) which have been exported from or imported into Russia by anyone but itself, such notes could not be regarded as money within the meaning of the German laws against forgery; and

That in any case the defendants' offence was political, and was therefore covered by amnesty.

To this prosecuting counsel replied that the amnesty applied only to German subjects, and not to foreigners.

Herr Ber, however, retorted that Russian Bolsheviks had been amnestied here, and it was hardly possible to exclude their political opponents from similar benefits. It would, he declared, be a bad thing for the prestige of German justice "if the amnesty decree were to be perverted in the interests of Soviet Russia."

Daily Telegraph

5.2.30

SZ/ 692

SIR

R

hurry
5/2

(early 1926) vide Post

7-2-30

SZ/692

Morning Post.

Feb: 5th 1930.**FORGED SOVIET NOTES****STORY OF A "CONFERENCE"
IN LONDON**

(FROM OUR OWN CORRESPONDENT)

BERLIN, Feb. 4.

The trial of two Georgians and their German accomplices for forging Soviet banknotes with the object of upsetting the Communist regime, attracted attention once more to-day when the defending counsel laid before the court the programme of a secret conference which he alleged to have been held in London in the first half of 1926 to consider means to "liquidate Bolshevism."

Those who took part in it were, according to Dr. Ber, the barrister, General Hoffmann, Sir Henri Deterding, Mr. Godfrey Locker-Lampson, English Under Secretary of State for Foreign Affairs at that time, and M. Spiridon Kedya, President of the Georgian Liberty Committee in Paris.

As witnesses to the truth of his statement Dr. Ber wished to call Frau Hoffmann, Sir Henri Deterding, and representatives of the British Foreign Office.

According to the "Vossische Zeitung," the programme of the conference was based on the idea that the Communist regime must be destroyed, and the agenda went on to consider the possibility of German-English co-operation in doing so, and of economic co-operation between the two nations subsequently in exploiting the wealth of the Black Sea territories.

ALLEGED PLAN

It was proposed to back the national movement in the Ukraine and Georgia. England was to finance the project, Germany to provide arms and men, both military instructors and corps of volunteers, who were subsequently to be settled on the land.

The attitude of the neighbours of the Soviet Union was to be considered in detail. The main lines of economic co-operation between England and Germany were to be decided upon in advance. Nothing is said as to the attitude to this programme of those alleged to have been present at the conference.

The defence of the Georgians, who admit the note forgeries, is that they were acting in the public interest, and recognised by such men as the alleged members of the conference.

SIR
Hoffmann
C.I. 57

SZ/692

Hoffmann

NEWS
6.2.30.

7-2-30

SZ/ 692.

L'Humanité

14.1.30

EN ALLEMAGNE

Le procès des faussaires de tchervonetz

Berlin, 13 janvier. — (Humanité.) — L'audience d'aujourd'hui a commencé par une déclaration de la défense, assurant qu'elle n'a rien de commun avec les révélations de la *Rote Fahne* sur la collaboration des officiers supérieurs de l'armée et les faussaires de tchervonetz.

Au lieu d'éclaircir cette affaire, le président mit brusquement un terme à toute explication à cet égard. Puis on commença l'interrogatoire de Bell qui menace le procureur d'Etat de révélations s'il continue à le traiter comme un criminel de droit commun. Les autorités supérieures allemandes auraient aussi commis des faux et « si cela continue, — déclare l'accusé ennuyé, — j'en abandonnerai les preuves à l'opinion publique ».

Déjà auparavant, Bell avait fait allusion au faux que le gouvernement allemand aurait commis en émettant les billets de banque français émis en Rhénanie pendant les luttes politiques.

Ensuite Sadathirachvili déclare sur le rapport politique de l'affaire :

— Les groupes de l'huile qui ont perdu, à la suite de la Révolution, des puits de pétrole, se sont déclarés prêts à avancer l'argent pour la libération de la Géorgie. »

Karumidze poursuit à maintes reprises des pourparlers à cet égard avec le magnat du trust Lobel, au restaurant Larue à Paris, et aussi avec les partis gouvernementaux allemands.

L'inspecteur de police Deuringer, de Munich, déclare que la police politique de Munich et son chef, le conseiller-député Bauer, assistaient par tous les moyens les opérations antisoviétiques du capitaine Weber, accusé de faux.

Humanité
SIR
L
167.

h.a.

Leu...

77.
20.1.30

Captain Miller

13-1-30

SZ/ 692.

1) Woodfield thinks it quite possible that KAROUMDJIEFF has been transformed into KARUM(N)IDZE. Georgian names undergo these permutations. "Scharif" into "Shavla" is more difficult. But Scharif = Scharfla = Shavla.

2) Spiridon KEDIA

This man is not the second Georgian now standing trial in Germany, who is SADATHIERASHVILLI. Kedia's connection with the forgeries is indirect, but there is little doubt that he was privy to them. He is the head of the "Committee for the Liberation of the Caucasus," which established contact with Hoffmann and, failing to obtain by legitimate means the financial support they needed, decided to seek it in forged Tcherwontz's notes.

Kedia was in London with von KURSELL from 15.7.26 till 21.7.26, and was then supposed to visit Hoffmann, who was also then in London.

Seen Thanks

PZ

Dr. J. Hoffmann

2

The Tchurwondzi scandal came to light in August 1927 - a year after the visit of Hoffmann and Kedia etc to London. One can deduce - it is of course only a deduction - that forgery was decided upon after the failure of attempts to raise money in London. It would require considerable time to bring off a forgery on the scale discovered.

3) Reference cutting attached from the "Daily Worker." Our papers do not show ~~that~~ any connection between Hoffmann, Selindig and the Dresdner Bank.

am.

18.1.30

Daily Worker

Hester
Cm J
127.Jan 13th 1930.

BRITISH OIL KINGS DIRECT WORLD PLOT AGAINST SOVIETS

Sir Henri Deterding's Negotiations With The Dresdner Bank

Sir Henri Deterding, the Oil King of the Royal Dutch Petroleum Company, has denied the allegations made against him in the Chervonetz forgery trial in Berlin.

The amazing intrigues indulged in from time to time by the world oil interests in their endeavour to steal the Soviet oil industry make such denials completely valueless, and will enable the British workers to take them at their real worth. Sir Henri is a millionaire several times over, and is married to a white Russian woman.

Interviewed at St. Moritz, Switzerland, a noted winter resort for parasites,

and worked closely there with the British. When Deterding was in Germany two years ago much of his time was spent in close consultation with the heads of the Dresdner Bank.

British politicians, of all parties, British financiers and British army officers, along with their counterparts in other countries, are plotting the downfall of the Soviet Union.

To achieve their ends, they are prepared to use any means from forging to assassination. The British workers must rally to the support of the Friends of Soviet Russia, an organisation which exists to spread the truth about Russia and to organise the resistance of all British workers to the war preparations of their Government against the Soviet Union.

FACTS OF THE CASE

Two Georgians and six Germans are on trial for forging Soviet banknotes. They admit that—

They forged thousands of Chervonetz (£1) notes.

They were financed by British and German capitalists.

Their aim was to finance an invasion of Soviet Russia, and disorganise Russia's finances.

Governments and leading politicians showed "considerable sympathy" with these plans.

on Saturday, he said: "The first I knew of this case was when I saw reports in German papers. I was astounded to see my name mentioned. I say I had no knowledge of any plan to forge banknotes."

Hoffmann's visit to London in connection with the forgeries was financed by the Dresdner Bank, which had large interests in the Caucasus before the war,

Neale

I expect when Parliament meets there will be questions.

Would you look up papers & get out a quite short exact note on what we know of this, apart from press, & in connection with Arnold Reichenberg. Meanwhile pl speak.

14/1/30 Hester

J.T.
20.1.30

1. ~~1st~~ ^{1st} 13/1/30
2. 2nd

GENERAL'S LETTER MYSTERY.

OFFICIAL STATEMENT
DOUBTED.

BERLIN, Sunday.

Levers

General Kress, it may be mentioned, retired from the army only a few weeks ago, being then commander of the second group of the Reichswehr that has headquarters at Cassel.

Moreover, it is said, that the counsel who wished to produce it abandoned his intention when it was pointed out to him that it was dated 1925, and "was therefore years older than the subject of the process."

To this the *Rote Fahne* rejoins by demanding a straight answer to the question whether General Kress's recommendation was not written on paper with the original heading of the 7th Reichswehr command.

Other papers without Communist sympathy express themselves as dissatisfied with the official explanations, and declare that it is very difficult in such matters to draw a line between the official and the private capacities of commanding generals.

But the main disclosure of the Communist paper has its minor embellishments. General Kress, who commanded in Georgia at the end of the war, is said to have had conferences at his own house with General Stokes, the commander of the British troops which took over from the German occupation. At this conference Karunidze and other Georgian refugees are said to have been also present. But such gatherings, urges the paper, could not have taken place without the knowledge of the War Minister and thus of the entire German Government.

Moreover, declares the *Rote Fahne*, two officials of the Foreign Ministry were in Munich to discuss with refugees from the Ukraine the possibility of attacking the Bolsheviks from that part of Russia. Then, what about "the very important meeting" which took place in Sofia in August, 1927, between the defendant Bell and Herr Held, the son of the Bavarian Minister, who had crossed the Bulgarian frontier with a German diplomatic pass. On this point, the Foreign Office here issues a flat denial.

DRESDNER BANK'S
ALOOFNESS.

BY OUR DIPLOMATIC CORRESPONDENT.

In connection with the Berlin trial, I may recall the fact that, alone among the great German "D" banks, the Dresdner refused to participate in the 1927 loan of 300,000,000 (later 360,000,000) marks to Soviet Russia by German bankers and industrialists.

I commented on the abstention of the
Dresdner Bank at the time.

Daily Telegraph

59

"FRESH LIGHT"
ON
SOVIET NOTE TRIAL.

**GENERAL'S LETTER
MYSTERY.**

**COMMUNIST PAPER'S
CHARGES.**

**OFFICIAL STATEMENT
DOUBTED.**

FROM OUR OWN CORRESPONDENT.

BERLIN, Sunday.

A startling turn has been given to the chervonetz (Soviet bank-note) forgery case by the announcement of the *Rote Fahne* that the author and organiser of the plot, the Georgian, Karunidze, was in possession of a letter of recommendation from General Kress von Kressenstein, at that time commander of the Munich group of the German army.

The Communist organ says that this letter is the mysterious document which one of the defending counsel wished to put in last week, but which, in consequence of his statement that its publication would "imperil the safety of the State," was discussed by the court in camera.

General Kress, it may be mentioned, retired from the army only a few weeks ago, being then commander of the second group of the Reichswehr that has headquarters at Cassel.

The existence of the letter cannot, it seems, be disputed. All that official apologists can do is to attempt an extenuation of its significance. They say that it was not an official document, but merely a private letter of introduction written by General Kress to General Max Hoffmann.

Moreover, it is said, that the counsel who wished to produce it abandoned his intention when it was pointed out to him that it was dated 1925, and "was therefore years older than the subject of the process."

To this the *Rote Fahne* rejoins by demanding a straight answer to the question whether General Kress's recommendation was not written on paper with the original heading of the 7th Reichswehr command.

"DRAWING THE LINE."

Other papers without Communist sympathy express themselves as dissatisfied with the official explanations, and declare that it is very difficult in such matters to draw a line between the official and the private capacities of commanding generals.

But the main disclosure of the Communist paper has its minor embellishments. General Kress, who commanded in Georgia at the end of the war, is said to have had conferences at his own house with General Stokes, the commander of the British troops which took over from the German occupation. At this conference Karunidze and other Georgian refugees are said to have been also present. But such gatherings, urges the paper, could not have taken place without the knowledge of the War Minister and thus of the entire German Government.

Moreover, declares the *Rote Fahne*, two officials of the Foreign Ministry were in Munich to discuss with refugees from the Ukraine the possibility of attacking the Bolsheviks from that part of Russia. Then, what about "the very important meeting" which took place in Sofia in August, 1927, between the defendant Bell and Herr Held, the son of the Bavarian Minister, who had crossed the Bulgarian frontier with a German diplomatic pass. On this point, the Foreign Office here issues a flat denial.

Jan 13th 1930.

*1. Kress von Kressenstein
2. Bell
14/1*

Gen. Kress

p.a. Gen. Hoffmann

CREDITS FOR SOVIET.

**DRESDNER BANK'S
ALOOFNESS.**

BY OUR DIPLOMATIC CORRESPONDENT.

In connection with the Berlin trial, I may recall the fact that, alone among the great German "D" banks, the Dresdner refused to participate in the 1927 loan of 300,000,000 (later 360,000,000) marks to Soviet Russia by German bankers and industrialists.

I commented on the abstention of the Dresdner Bank at the time.

Bell

*744
20-1-30*

THE GREAT NORTHERN TELEGRAPH COMPANY LIMITED

11.1.30

To PRESS TASS MOSCOW

52/692

TELEGRAPH diplomatic referring berlin trial antisoviet
 forgers says fact that in spring 1926 [general hoffmann]
 desired visit london but british minindel expressed its
 inability to receive him stop this however undeterred
 hoffmann from conferring quote with some leading comma
 if as rule unofficial comma personalities in british
 industry and politics unquote paragraph dailyworker
 comments this statement saying its admission hoffmann
 saw some official personages stop asks who were they and
 particularly did they include jix 11148 VELTASS.

Cm 1 24/11/30

1) Lisa

2) B.

SZ/ 692

2 Humanité

10.1.30

L. J. L.

H. - L.

Hoffmann

AU PROCÈS DES FABRICANTS DE FAUX TCHERVONETZ

Le ministère des affaires étrangères du Reich entretenait des relations avec les faussaires

Berlin, 9 janvier. — (Humanité.) — La deuxième journée du procès des faussaires de tchervonetz s'est déroulée entièrement sous le signe d'un nouvel accès l'excitation antibolchevique de la part des accusés et de leurs défenseurs. Le président a dû congédier l'interprète officiel, le docteur Leibert, dont la *Rote Fahne* a démasqué l'activité fasciste, ce qui provoqua une violente protestation de la défense. Cette décision fut d'ailleurs compensée rapidement par la mise en liberté de Sadathieraschivi, annoncée à la fin de l'audience de l'après-midi. Par là, le dernier des faussaires de tchervonetz arrêté se trouve relâché.

A l'audience d'hier matin, on a terminé l'interrogatoire du docteur Becker. Il en est résulté ce fait intéressant qu'il a entretenu des relations avec le ministère des affaires extérieures, dont il reçut des adresses de gens qui achetaient des tchervonetz à des prix dérisoires pour les envoyer à des amis, en Union Soviétique.

Au cours de l'audience de l'après-midi, on a interrogé le libraire national-allemand Boehle, de Francfort-sur-Mein, qui conserva chez lui le papier filigrane et procura l'imprimerie où se faisait l'impression des tchervonetz, pour laquelle il reçut une somme de 300.000 marks. Les déclarations antibolcheviques, par lesquelles il a tenté de justifier son crime de droit commun, sont d'un enfantillage si borné qu'elles ont provoqué, même dans ces milieux vivement soviétophobes, une risée unanime.

A l'audience d'hier

Berlin, 9 janvier. — (Humanité.) — Le premier accusé interrogé aujourd'hui, l'industriel Schmidt, a déclaré quant à ses relations avec Hoffmann :

« Nous voulions, en liaison étroite avec l'Angleterre, le partage de la Russie et la création d'un Etat fédéral autonome sur la mer Noire pour pouvoir y faire des investissements de fonds étrangers privés. »

En rapport avec cette déclaration, Schmidt a exposé des données très importantes sur l'activité de Karumidze qui accomplissait, sur l'ordre du gouvernement allemand et avec son aide un travail de sabotage pendant les jours d'intervention contre le bolchevisme, et effectua des transports de munitions contre le gouvernement soviétique.

A ce moment, l'avocat Bber, défenseur de Karumidze, propose le huis-clos pour donner lecture d'un document. Le président ordonne provisoirement la continuation des débats à huis-clos.

D'après l'information de la *Rote Fahne* il s'agit dans ce document qui a été lu au cours de la séance à huis-clos, d'une attestation de ce que Karumidze accomplissait, même sous le gouvernement républicain de l'Allemagne, un travail antibolchevik et antisoviétique.

C'est ensuite le tour de l'accusé Dell qui travailla comme espion un peu partout et qui joua dans toute l'affaire un rôle très louche. Il se hâte de dire au début de son interrogatoire qu'il est social-démocrate. Il faisait, de concert avec Schmidt, des affaires d'armes et de munitions et tenta d'y intéresser des milieux économiques allemands. En vérité, cette affaire consiste en ce que ces deux compères soutiraient de l'argent d'un négociant par des promesses de profits importants et l'employaient pour leurs propres besoins.

Pour le compte de Deterding

SCHMIDT. — Une série de pourparlers eurent lieu entre le général Hoffmann et des économistes distingués, principalement de la part du Konzern du pétrole anglais.

PRÉSIDENT. — C'est la première fois qu'on parle ici de Konzern du pétrole. Ils voulaient donc faire des affaires et gagner de l'argent ?

SCHMIDT et DELL (simultanément) — Naturellement : c'est ce qu'ils faisaient.

PRÉSIDENT. — Est-il vrai qu'on pensa particulièrement à la construction de voies de trafic spécial, à des liaisons d'avions secrètes ?

SCHMIDT. — Oui, et nous n'avons jamais perdu de vue le fait que le communisme allemand ne peut être combattu avec succès tant qu'il reçoit l'aide de la Russie. Il est notamment beaucoup mieux pour l'Europe que le pays le plus riche, c'est-à-dire le sud de la Russie, épouse un système qui s'accommode au reste de l'Europe ; c'est alors seulement qu'on peut amener un assainissement de l'Europe. Et cela est bien mieux aussi pour le Konzern du pétrole. »

En rapport avec cette explication, Schmidt reconnaît qu'il a procuré 5.000 marks qui étaient nécessaires pour les frais du voyage du général Hoffmann à Londres et pour sa visite à Deterding.

Bell

2758

22/1/30

LES RÉVÉLATIONS DE LA VOSSISCHE ZEITUNG AU SUJET DU PROCÈS DE BERLIN

Le capitalisme pétrolier contre l'Union soviétique

LES FABRICANTS DE FAUX TCHERVONETZ
ÉTAIENT LES AGENTS DE SIR DETERDING
DE NOBEL ET DU GÉNÉRAL HOFFMANN

Berlin, 8 janvier. — (Humanité.) — Le procès qui se déroule en ce moment devant le tribunal de Moabit (quartier de Berlin), produit une sensation énorme par les révélations qui s'y produisent.

Les lecteurs de l'Humanité se rappellent sans doute les faits : deux contre-révolutionnaires géorgiens et six fascistes allemands sont accusés d'avoir fabriqué de faux tchervonetz (1 tchervonetz = 10 roubles = 130 francs).

Pour souligner l'importance politique de cette entreprise contre-révolutionnaire, nous nous bornerons à reproduire des extraits d'un article leader consacré par le journal bourgeois, *Vossische Zeitung*, au dit procès.

Le procès qui a commencé lundi, dit le journal, est d'une importance politique mondiale. Il s'agit au fond de la lutte internationale du capital pétrolier contre le régime bolchevik, lutte pour laquelle le mouvement de libération de la Géorgie sert de paravent et qui a pour but la conquête des terrains pétroliers de Bakou.

L'alliance général Hoffmann-sir Henry Deterding

La *Vossische Zeitung* avait déjà démasqué, il y a quelque temps, une partie des dessous de cette affaire. Il y fut prouvé l'existence d'une liaison étroite entre le défunt général Hoffmann d'une part, le président de la Royal Dutch, sir Henry Deterding d'autre part, et plusieurs politiciens allemands, notamment des Bavarois, qui, eux, avaient trouvé dans les Géorgiens des alliés précieux pour la lutte contre le communisme en Allemagne.

Les Géorgiens, fabricants de faux tchervonetz, avaient conçu le plan d'ébranler la situation financière de l'U. R. S. S. et d'obtenir ainsi la séparation de la Géorgie. De ce dernier pays devait partir ensuite une offensive générale contre l'Union Soviétique. La direction militaire de cette action devait se trouver entre les mains du général Hoffmann.

Un échange de lettres assez suivi entre Deterding et Hoffmann a abouti à des conciliabules détaillés à Londres et à La Haye, dans lesquels le plan d'action fut mis au point. Ce plan fut détruit par l'arrestation, en Allemagne, des complices de cette affaire, après que le marché de ce pays fut inondé de sommes importantes de tchervonetz falsifiés, et avant même que ces derniers fussent exportés.

Dans les mémoires de la veuve du général Hoffmann, on trouva des indications précieuses concernant l'entreprise, à la tête de laquelle se trouvait entre autres son mari.

On y voit ainsi qu'un groupe de capitalistes du pétrole, qui ont été expropriés par la révolution de leurs terrains dans le Caucase, s'était déclaré prêt à fournir les capitaux nécessaires pour l'entreprise géorgienne.

Le groupe Nobel

A la tête de ce groupe se trouvait le fils du fondateur du prix Nobel, qui était lui aussi un des anciens propriétaires des terrains pétroliers de Géorgie.

Le fils Nobel avait lui-même pris contact avec le principal accusé, auquel il avait demandé un rendez-vous par téléphone, rendez-vous qui eut lieu, effectivement, à la date convenue.

Un entente en résulta, d'après laquelle le groupe Nobel et la Royal Dutch décidèrent de soutenir l'action des Géorgiens.

La collaboration du président de la Royal Dutch au complot est lumineusement démontrée par une lettre par lui écrite, le 13 avril 1926, et adressée à un politicien allemand de premier ordre. Il y est dit textuellement :

« L'affaire qui vous intéresse me fut exposée par M. Nobel. C'est pourquoi je suis d'avis de nous concerter avec lui sur tout ce que nous voudrions entreprendre dans cette affaire. J'ai déjà écrit dans le même sens à Son Excellence (le général Hoffmann, note de la V. Z.) et je lui ai proposé, soit d'envoyer à M. Nobel une copie de la lettre, soit que Son Excellence lui adresse lui-même une lettre lui faisant connaître ses propres intentions. »

« Pour les raisons indiquées ci-dessus, il m'est impossible de faire quoi que ce soit sans la collaboration de M. Nobel. »

Petit à petit, le réseau du complot

s'est étendu à travers toute l'Europe. Partout, en France, en Angleterre, en Italie, en Bulgarie, en Suède et en Allemagne se trouvèrent des hommes de confiance des Géorgiens contre-révolutionnaires. Parmi ces hommes de confiance, on comptait en Allemagne, en première ligne et en dehors du général Hoffmann, le capitaine fasciste Ehrhardt.

Les entretiens Ehrhardt-Karumidzé

Ce dernier eut un entretien avec le principal accusé Karumidzé à Munich, au mois de février 1926.

L'entretien eut lieu sur les conseils du général Hoffmann, qui indiqua aux Géorgiens que le capitaine Ehrhardt était son allié et devait être regardé comme tel. Une autre réunion eut lieu entre les deux larrons pendant le même mois, à laquelle assistèrent également plusieurs Ukrainiens contre-révolutionnaires. Le plan de combat fut de nouveau analysé et on se mit d'accord sur ce point que la lutte contre l'Union Soviétique devait avoir comme point de départ la Géorgie.

On s'entendit aussi pour préparer le terrain en Allemagne, afin qu'en cas de succès on puisse y organiser une nouvelle action.

Telles sont les révélations publiées par la *Vossische Zeitung* et les débats du procès les confirment du tout au tout.

SZ/ 692

L'Humanité

9.1.30

5.4

67

Gen Hoffman

« Nous avons voulu provoquer des troubles paysans en U. R. S. S. »

Berlin, 8 janvier. — (Humanité.) — Au cours de la séance d'hier, dans le procès contre les faussaires de tchervonetz, furent interrogés le Géorgien Sadathirachivi et le chef fasciste le Dr Weber.

Sadathirachivi est le secrétaire du prétendu prince Avalov Bermond qui, en 1919, dirigeait une guerre de partisans dans les Pays Baltes contre les bolcheviks. Il a déclaré que lui et les autres hommes politiques géorgiens n'espéraient la « libération » de la Géorgie et du Caucase que d'une Allemagne puissante ; mais l'Allemagne fut et est infestée de communisme et se trouve dans le danger de subir le même sort que la Russie.

« Nous étions fortement intéressés à ce qu'un gouvernement national arrive au pouvoir en Allemagne et c'est pourquoi nous luttons par tous les moyens contre le communisme en Allemagne. Nous avons fait parvenir d'une façon continue des nouvelles sur l'activité du gouvernement soviétique au Dr Weber et au gouvernement bavarois. Les faux tchervonetz furent notre arme la plus puissante. Nous voulions ainsi provoquer une inflation et des troubles paysans ; nous voulions forcer le gouvernement soviétique de payer en dollars. »

Le complot international

Le Dr Weber déclare : « J'ai pris activement part comme chef de compagnie d'un corps de volontaires au renversement du gouvernement soviétique de Bavière. Lorsque j'ai reconnu que les grandes puissances, surtout la France et l'Angleterre, jouaient un grand rôle dans le remaniement des forces à l'Est de l'Europe, j'ai appuyé ces forces. Nous nous proposons de fomenter une insurrection au Caucase et de renverser ainsi le gouvernement soviétique. Nous avions déjà convenu de traiter avec des personnalités officielles et économiques de l'Angleterre qui sont les tenants les plus en vue de la lutte antibolchevique. C'est par une indiscrétion que tout sauta. »

« Plus tard, au début de 1927, eurent lieu des pourparlers à Genève avec des hommes politiques dirigeants d'Angleterre et d'Italie, également dans le but de provoquer des insurrections en Géorgie. C'est à ce moment que surgit l'idée de falsifier des tchervonetz. »

Pour se justifier, le Dr Weber déverse ensuite une avalanche de calomnies contre l'Union Soviétique et son gouvernement. Le président du tribunal ne protesta que timidement.

Au cours de l'interrogatoire, Weber fit une communication sensationnelle, disant qu'il avait mis la préfecture de Munich et les autorités officielles d'Allemagne au courant de tous ses plans et qu'il était en liaison avec elles.

Le procureur d'Etat. — Les autorités gouvernementales auraient approuvé l'impression des faux tchervonetz ? Ce n'est pas possible.

L'accusé Bell, sautant de son siège. — Mais le gouvernement allemand a sympathisé lui-même avec nos plans.

The Times

Jan. 9th 1930.

THE ALLEGED FORGERY OF
SOVIET NOTES

GERMAN NATIONALISTS AND
GEORGIAN PLOT

(FROM OUR OWN CORRESPONDENT)

BERLIN, JAN. 7

The trial of two Georgians and seven Germans charged with forging and uttering Soviet chervonetz notes in 1927 continued to-day.

The chief figure, the Georgian exile Karumidze, whose examination ended to-day, has stated that the forged money was intended to finance a rising in Georgia and to undermine the Soviet currency. He also referred to alleged negotiations in 1925 and 1926 with German Nationalist generals and politicians, representatives of international oil interests with confiscated holdings in the Caucasus, and English politicians, and suggested that some kind of military adventure against the Soviet was then in preparation, under the leadership of the late German General Hoffmann (who for two years during the War was Chief of Staff on the Eastern Front).

The first of the German defendants, Dr. Weber, an extreme Bavarian Nationalist, described meeting Karumidze in Munich in 1925. They discussed the possibilities of a rising in Georgia, and later General Hoffmann came into the scheme as an "expert." Dr. Weber said General Hoffmann conducted negotiations in London on behalf of the Caucasians, which represented "the first great action against the Soviet." Everything was ripe for action when the plan was betrayed through an indiscretion. Asked whom General Hoffmann had seen in London, Dr. Weber replied, "Leading official and industrial personages."

1. [unclear] [unclear]
2. [unclear]
3. [unclear]
4. [unclear]

52/ 692.

*274
10-1-30*

(•885) Wt. 26796—C17. 20,000. 3/25. T.S. 138.
 (•885) Wt. 6595—C200. 30,000. 7/25. T.S. 138

A.B. 13.

CONDITIONAL LANDING.

Copy of
Immigration Officers' Report

H.O. No.

Port of FOLKESTONE. Date of landing 24/6/26.

Port No.

Subject KAROUMDJIEFF, Scharif Alexandroff.

1342/26.

References to Files

All reports to be signed
 and dated at end of same.

Copies sent to:—

C.I.

S.I.

I.

Nationality Bulgarian. Occupation ? Merchant.
 (born Tiflis)

Sex Male. Age 39.

Passport No. 078302 Sofia 18.9.25.

Visa (full particulars) No. M.718 Munich 29.5.26 "Business Textiles"

Address to which proceeding Brooklyn Hotel, Earls Court.

Object of visit ? Business.

Landed conditionally to register with the Police and to remain in the United

Kingdom not longer than 14 days — weeks — months.

Remarks For particulars please see report on this man and
 his two companions (same report number).

It may be mentioned that the "business in textiles"
 was merely a pretext to obtain a visa.

G.C. Thomas.
 25/6/26.

(Remarks to be continued overleaf if necessary).

H.O. Minutes.

Bring up _____ Noted _____ Brought up _____

Traffic Index. Check embarkation

Reply

Summary of the visit of

Helmut von KLEIST, secretary to the late General Max HOFFMANN, Otto von KURSELL and [Scharif Alexandroff KAROUNDJIEFF, ^{P.F. 4260}] came to England for a few days in June 1926, ostensibly to forward a scheme for the recovery of oil wells under Soviet control. The three were said to be connected with the Shell and Royal Dutch Companies, and there is little doubt that they were in touch with Sir H. DETERDING during their stay here. The indications are that behind the visit was a plot to overthrow Soviet rule in the Southern Caucasus. Funds were to come from various oil companies with interests at stake. Liberationist projects in the Ukraine and elsewhere were also in question.

General Hoffmann was in London at the same time as these people and gave out that he was here to enlighten the British Foreign Authorities as to the activities of the Bolsheviks. No visit by Hoffmann to the Foreign Office can, however, be traced. S.I.S. were of opinion that Hoffmann and his associates came here with the object of interesting the Royal Dutch and other potential sources of funds in their schemes. They failed, however.

Hoffmann went to Paris towards the end of June 1926. He was to have returned to England in July, but apparently he never came back. He was still engaged in his Ukrainian projects in January 1927, and was letting the idea spread that such plans had been discussed with the highest authorities in London.

One Spiridon KEDIA, head of a body calling itself the Committee for the Liberation of the Caucasus was also in London in June 1926, in connection with Hoffmann and his satellites. Kedia's name came up again towards the end of 1927, in connection with the forgeries of chervontzi

discovered/

- 2 -

discovered in Germany.

The failure of Hoffmann and his supporters to obtain any support for their schemes in England appears to have led to a different line of approach. Towards the end of November, 1926, Baron Eckardstein, who has British connections, having married a daughter of the late Sir John Blundell Maple, visited Sir Wyndham Childs. He had apparently been sent over by the Board of Trade and was introduced by Mr. Harold Scott, of the Home Office. He brought a story that the Soviet Government were setting up trading companies in various countries, with an organising centre in Holland, for the ostensible purpose of trading in the East (and presumably the Far East as well) with British Colonies and possessions and in fact all over the world. The real business of these companies was not, however, to be trade, but propaganda and espionage. Towards the end of the interview Baron Eckardstein threw out a suggestion that the programme of the world should be a political alliance against Soviet Russia and an economic alliance against America. He promised to see Sir Wyndham Childs, but appears not to have redeemed his promise. However, in February 1927 he wrote that his friend Mr. Arnold Rechberg was arriving in London and that he had given him a letter of introduction to Sir Wyndham Childs. Rechberg is a political busybody, a prominent man in the Potash Trust, an anti-Bolshevik propagandist and a wirepuller in "Der Jungdeutsche Orden," which claims to possess over 1,600,000 members.

Rechberg saw Sir Wyndham Childs in March 1927. He talked a great deal of the Bolshevik peril and postulated the theory that an immediate alliance was necessary between England, France and Germany, to march on Moscow. Rechberg had been previously advocating in the "Matin" a campaign
against/

connection by H.S.
He had apparently
been sent by the Board
of Trade to Mr. Harold
Scott of the Home
Office, who brought
him to Sir Wyndham
Childs." (15.2.29)

- 3 -

against Moscow, and it may or may not be a coincidence that about this time M. Coty was preaching a jihad in the "Figaro". Rechberg attempted to sound Sir Wyndham Childs as to the views of the Cabinet, but Sir Wyndham informed him that he was not a politician but a public official, and had not the slightest idea what view anybody in the Cabinet might hold. Rechberg appeared to be anxious for an interview with Mr. Churchill, but he was again told that such an interview must be obtained through political personages.

In spite of Rechberg's professions of anti-Soviet zeal, it is probable that his visit here had commercial rather than political ends and that he wished to obtain Sir Wyndham Childs' support (which was not given) in interesting the authorities here in German commercial schemes, with which the Hoffmann group was connected. Rechberg has close associations with the Hoffmann group and he brought with him a lengthy report by Hoffmann on the economic and political condition of Europe, stressing the Bolshevik peril. He also submitted similar productions of his own. Rechberg conducted a press campaign here in favour of a vast British-French-German trade pact, but this scheme had no attractions for British industrialists.

Rechberg saw Sir Wyndham Childs again in March 1928. He was still harping on his political and commercial schemes and working for a British-French-German alliance against Bolshevism.

Rechberg claims to be a friend of Lord Melchet. He says he came to London following an invitation from English political friends (our papers contain no suggestions as to who these may be) to sound English economic leaders such as Lord Melchet, Sir Henri Deterding and others regarding the eventual joining up of big English industries to the Franco-German industrial combine.

There is no indication that Rechberg's political
schemes/

- 4 -

schemes received any support here. He may have seen certain prominent people, including Sir Max Muspratt, but definite evidence is wanting.

13.2.29

Copy of Minute.

Commr. of Police,
Special Branch.
New Scotland Yard.

Do you know anything of these people?
If not, you may wish to make further
enquiries.

F.H.M.
for C.I.
30/6/26.

Seen thank you; enquiries still in progress.
Conclusions hitherto, though rather indefinite, tend
to confirm rather than to invalidate gist of I.Os
report and deductions. Hoffmann is General Hoffman
of Ternenberg & Brestlitovsk.

H.M.M.
5/8/26.

M/s. (Major Ball)

For info

I expect you know of this party.

*7/8/26
H.M.
12/8/26*

Copy.

Immigration Officer's Report.

Port of FOLKESTONE.

Subject. No. 1. von KLEIST, Baron Helmut. 35.M.Lett.
(Baltic province origin).
No. 2. von KURSELL, Otto. 28.11.84. M. German.
No. 3. KAROUMDJIEFF, Scharif Alexandroff. 13.4.87.
M. Bulgarian.

Date of arrival:- 24.6.26.

These passengers arrived from Flushing ~~from~~ on s.s. "Oranje Nassau" on 24/6/26 and were not linked up together until the end of the examination. Nos. 1. and 2. have the address 5 Redcliffe Gardens. S.W.10. and No.3. it was found, would have to go there for instructions.

Nos. 1 & 2. told the I.O.s who examined them that they were on business in connection with the exploitation of naphtha with Sir Henry Deterding and were given disembarkation cards.

No. 3. came to me with a passport bearing a visa (No.M.718 Munich 29.5.26) endorsed "Business in textiles". KAROUMDJIEFF, who spoke German and a little French, soon had to admit he did not know much about wool and his papers were looked at. Several photographs of General Avatoff were found and also a large presentation book about the "Struggle against Bolshevism" sent by the General to a lady friend in London whose name K. declined to give. In addition to several private letters written in Georgian, he had two letters, both from the Duke George of Leuchtenberg, Bavaria. One was in Georgian and served merely to accredit No.3. to "whom it may concern" and the other was to a Mr Urquhart and was typed in English. The salient parts of the second letter follow. The Duke said "... I am a friend of Baroness MELLER-ZAKODELSKY and of C. ROMANOFF the business is of international interest, especially Russian projects are serious, no adventure and are seen to be founded on a large basis here in Germany but can be effective only if they receive a large basis in England too."

Questioned on this, KAROUMDJIEFF, who showed some agitation, said that he would receive Mr Urquhart's address from Prince SOUMBATOF of the address given above. (This Mr Urquhart appears to be the one interested in oil). On the nature of the business he refused to speak and said he would rather be sent back to Holland.

At the juncture I was told that two friends and fellow-passengers of No.3. were waiting for him on the upper deck. They were No.s. 1 & 2. Some of No.3's letters had been addressed to him care of Baron KLEIST. KLEIST was the leader and spokesman of the party and talked for five minutes with, apparently, the idea of leading us away into a maze of side issues. He was finally examined in Russian and, with the invaluable aid of Mr Wooldridge, his many stories were reduced to the following:- KLEIST is the secretary of General Hoffmann and all are on the same business with Shell and the Royal Dutch Oil Companies. We were told at first that it was a matter of amalgamation and that HOFFMANN and his friends were to provide capital and the Shell and Royal Dutch were to provide the oil. He then admitted that this was insufficient reason for such secrecy and that he did not really expect us to believe it. Finally, with a great show of surrender, he said that General HOFFMANN and some of his ~~friend~~ associates were, like the Shell and Royal Dutch, formerly owners of oil wells and now under Soviet control and that the idea was that

that all should combine "to make overtures for the return of the wells." This, he said, was the whole secret and that No.3. was merely an oil expert while No.2. was financially interested.

No.s 1 & 2. were allowed to proceed without conditions and No. 3. was landed for fourteen days (see report 1342/26).

From all indications it seems beyond doubt to us that the affair is to organise the overthrow of Soviet rule in the South Caucasus. Funds are to come from various oil companies with interests at stake. Duke George of Leuchtenberg is not financially interested in the venture and is to join in when, and if, British support is given.

No.s 1 & 2. were of a different stamp to No.3. The last told us that during the troubles of 1919-20 he acted as unpaid agent amongst the Russian and Turkish Bolsheviks, giving his information to British Military Intelligence in Constantinople. We do not doubt that, for the moment, KAROUMDJIEFF is acting against Bolshevism. The impression given was that he is the technical adviser to the organisation and would probably listen to a more advantageous offer. Several telegrams from a mysterious "Otto" were seen. They were sent from various towns on the Continent and were addressed to No.3. in Munich. All were, almost in the same terms, to the effect that KAROUMDJIEFF was to hurry at once. In spite of these messages KAROUMDJIEFF had not moved out of Munich since last September and the telegrams were possibly a means of conveying news.

KAROUMDJIEFF stands about 5' 6" or 7", is fat and clean shaven and dark. Is of semitic appearance and speaks Russian, German and French. He would seem to be a professional agent and is certainly not a textile merchant and almost as certainly not an oil expert.

G.C. Thomas.

25/6/26.

(2a)
S.I. Form B.4.**HOME OFFICE WARRANT.**

Taken out by Scotland Yard on

Name Helmut Von KLEIST.Otto von KURSELLand SEP 1961
[KAROUMDJIEFF.] P.P. 42600.Address Loftus Hotel,
Templeton Place,
Earls Court Road
or
Hotel Chateaudun,
31, rue Chateaudun, Paris.

Date 10.7.26.

Reason This is in addition to the H.O.W. on 5 Redcliffe Gardens
and concerns the individuals in touch with Prince
Soumbatoff.

Copy of original warrant held by "B."

SECRET.

1 very personal

6A
29 November, 1926.

Dear Miss Allen,

With reference to our conversation the other day, I attach a note regarding three individuals who recently arrived at Folkestone and who seem to be concerned in oil business. If you obtain any further information regarding these men, which would be of interest to us, we should be very glad if you would let us have it.

Yours very sincerely,

(sd.) LAP

Miss S.A.M. Allen,
St. Helen's Court
Leadenhall Street,
E.C.

40
29/9/61
Carded by
S.S.T. 9.12.26

Secret.

In reply, state NUMBER and DATE.

CX/1 V dated 21.9.31.

Copy filed in L.212. Ser. 169. H. 70. 140.

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M.I.5. (Mr. Harker).

You should, we think, have the following information
on record, which has reached us under the date 4th September,
1931:-

Deceased
"A certain MEYERSON, employed in the Soviet Depots
on the Export Harbour in Riga, lately approached Baron KLEIST
with an offer to work for the Bolsheviks and supply informa-
tion. He made the condition that KLEIST was to find a con-
tact with the British Intelligence.

It is not known whether KLEIST finally accepted the
offer, as he is now in Berlin, ostensibly on commercial
business.

L.212. Ser. 169.
MEYERSON also approached [KAISER HYLTON] with a
similar offer."

(2) On the above our Representative at comments
as follows:-

"Baron KLEIST's record is not good. Some years ago
he made an attempt to get in touch with this office, but we
were already aware of his undesirable antecedents and broke
off all connections with him.

This year he repeated the effort, but making no
headway turned his attention to the new M.A. here, whose
secretary he saw and supplied with some information which
he alleged he had received from the USSR. On our warning
the M.A., the latter showed him the door.

The 'Morning Post' correspondent here reports that
KLEIST periodically worries him with requests for intro-
ductions to British people, but that he (the 'Morning Post'
man) refuses all help.

All the above fully bears out the probability that
KLEIST has been recruited by the Soviets."

(3) KLEIST is apparently identical with Baron Helmuth
von KLEIST, the subject of my CX/ V dated 27.3.29 to your
address and KAISER HYLTON is the subject of my CX/ V '70,
dated 29.8.31.

As the former has in the past been a visitor to the
U.S. and is known as a pillar of the Baltic German cum White
Russian Monarchist groups, it might be as well to note that
there is more than a suspicion of his having accepted Bolshevik

service.

-2-

14a

service.

MEYERSON *Recorded* by the way, may or may not be identical with
a man of that name (and Christian name "Robert") who was a
member of the Russian Trade Delegation at Berlin in 1928.

[Handwritten mark]

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Secret.

In reply state NUMBER and DATE.

12^ACX/
V. dated 27.3.29.M.I.5. (Major Alexander)Helmuth von KLEIST.

Reference the last sentence of your PF.37884/M.I.5.B/1, dated 25.3.29.: (see copy at "A")

Undoubtedly these two Von Kleist's are one and the same person and I think it is almost certain that behind the visit of Helmuth von Kleist to this country in 1926 was a plan to overthrow Soviet rule in the Caucasus in order to regain possession of Oil Wells and also liberationist projects in the Ukraine and elsewhere.

Please also correct Helmuth von Kleist's present address. It is 1a, Schützenstrasse (Quartier 1), Riga, not Schepfenstrasse.

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Original in PF. 37884. (Deutscher Überseedienst)

M.I.R.,

PF. 37884/M.I.R./1.

SECRET.

25th March, 1929.

Dear Vivian,

Many thanks for your letters, Nos. CX. V.
dated 8/3/29., and CX. dated 14/5/29a, relating
to the Deutscher Überseedienst.

With reference to the second of these reports,
I note that von KLEIST's Christian name is Helmut, not
Hartmut.

I find that we have a small file about a Baron
Helmut von KLEIST, a Lett, aged now about 38, who visited
this country in November 1928, in company with Otto von
HURSKILL and Scharif Alexandroff KAROUNSKIJ. Ostensibly
they came here on business with Sir Henry DETERBING con-
nected with the exploitation of naphtha.

On being questioned, the following information
was obtained:-

KLEIST is the Secretary of General HOFFMANN and
all are on the same business with Shell and the Royal Dutch
Oil Companies. At the beginning it was said to be a matter
of amalgamation, and that HOFFMANN and his friends were to
provide capital, and the Shell and Royal Dutch were to
provide the oil. KLEIST then admitted that this was in-
sufficient reason for such secrecy, and that he did not
really expect to be believed. Finally, with a great show
of surrender, he said that General HOFFMANN and some of
his associates were, like the Shell and Royal Dutch, for-
merly owners of oil wells now under Soviet control, and
that the idea was that all should combine "to make over-
tures for the return of the wells".

I do not know whether this is of any interest
from your point of view, but should be glad to know whether
this von KLEIST is identical with the von KLEIST of your
report.

Yours sincerely,

(sd) O.A.H.

Major V. Vivian, C.B.E.,
M.I.R.

VAA/MCR.

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COPY.

10A

Original in P.F.37884. DEUTSCHER UBERSEEDIENST. 271a.

CX/ -/V., dated 14.3.29.

M.I.5. (Major Alexander)DEUTSCHER UBERSEEDIENST.

Reference portions of the note I sent you under my CX , dated 31.10.28., and last para. of your P.F.37884/M.I.5.B.1., dated 7.11.28., regarding Walde-mar von LANGSDORFF and Helmuth (not Hartmuth) von KLEIST:

We have now heard from our Uberseedienst source that he has ascertained that LANGSDORFF is employed in a timber trading firm at 37, Beyreuterstrasse, (corner of Wittenburg-platz) belonging to a Balt, von zur MILEN. LANGSDORFF is stated to be in touch with most of the active Baltic emigrants in Berlin and also with the NUNZIA BUREAU and Baron v.MANTEUFEL in Munich.

Informant also states that Helmuth v.KLEIST is now in Riga, living at Schepfenstrasse 1.

(SG)

V.

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S.I. Form O.6.

54860 W2867/1310 2m 2/26 J.P.2636 Gp.121 J1218

EXTRACT.Relating to **Woldemar von LANGSDORFF** and his Contacts. (i.e.H.von KLEIST.)Extracted from **P.F.37884. DEUTSCHER UBERSEEDIENST.** No. **Vol.3. (237a).**Author of original **M.I.5.B.1.** Place and date of origin **7.11.28.**Extract made by **L.F.M.E.** on (date) **26.3.29.**

Copies sent to

SECRET.

7th November, 1928.

Dear Vivian.

.....

With regard to part 2. of this report (i.e.CX, dated 31.10.28) ., relating to Herr Woldemar von LANGSDORFF and his contacts, I am unable to identify this man or any of the others mentioned in connection with him, except Appolon Constantinovitch Clapiers de COLLONGUES, the ex-Russian Consul-General at Newcastle, concerning whom we have a small file.

(Sgd) W.A.A.

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S.I. Form O.6.

EXTRACT.

8A

Relating To Baron H. von KLEIST.

Extracted from P.F.37884. DEUTSCHER UBERSEEDIENST. No. Vol.3. (235a.)
 Author of original M.I.I.c. CX/ /V. Place and date of origin 31.10.28.
 Extract made by L.F.M.E. on (date) 26.3.29.

.....
 (2) In connection with the above matter, though not elicited from Karl LESSEL, other ramifications of the NUNTIA BUREAU appear to have been established.

There is a certain Herr Woldemar von LANGSDORFF. In 1927 he was engaged on a commission basis in Germany buying machinery for the Margoless Concession in Russia, but was at the same time paid by the German S.S. (it is almost certain that the NUNTIA BUREAU is here meant) to organise and control a service of agents in Russia by means of the German employees of the Margoless Concession in that country. After the collapse of Margoless at the end of 1927, Woldemar von LANGSDORFF, according to his own statement, continued to direct a German S.S. in Russia through the German employees of the A.E.G., though his S.S. was unaffected by the Donetz Basin revelations.

..... During 1927 and the earlier part of 1928, Major LIESER was supplying information regarding Russia to the French M.A. at Riga, Commandant ARCHENE, the link between these two persons consisting of, firstly PANTELEEV, The second connecting link between PANTELEEV and Commandant ARCHENE consisted of a Russian Appolon Constantinovitch CLAPIERS de COLLONGUES, ex-Russian Consul-General at Newcastle, also now a refugee in the Baltic States and of French extraction.

The following other personalities are in some way connected with Major LIESER's organisation, though their exact connection is not altogether known.

Baron Hartmuth von KLEIST. This has been previously reported on other occasions in so far as the NUNTIA BUREAU is concerned, and a good deal is known about this gentleman. The present interest centres in the fact that Woldemar von LANGSDORFF stated in an unguarded moment that his partner was Baron von KLEIST.

.....

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S.I. Form O.6.

249/33291 W3114A/4499 (4m) 4/28 R. & L. Gp.121, J.1218

EXTRACT.

Relating To Baron H. von KLEIST.

Extracted from S.F. 459/UKRAINE. No. (26a).
 Author of original M.I.I.c. CX/8825. Place and date of origin 1.3.27.
 Extract made by L.F.M.E. on (date) 25.3.29.

SECRET.

CX/8825. 1.3.27,

M.I.5.

Although the attached report deals largely with matters in which you are not interested, it seems worth while your having on record the existence of the Ukrainian Information Bureau working for the Wolf-Hoffman combination, as well as the German F.O., vide para. 6., page 2.

(Sgd) S.J.Menzies.

M.I.I.c.

Ukrainian Activities in Europe.

The following note on this subject was compiled about the middle of February by a reliable and unbiassed informant, who has exceptional opportunities for obtaining first-hand information concerning the activities of these Ukrainians and of their German friends, HOFFMANN, KOROSTOVETZ, etc. There have, of late, been various indications as to renewed activity on the part of these circles, and the information below - particularly in the concluding paragraphs - throws light on the true significance of endeavours made by Poltavetz-Ostranitz and others to interest British representatives in their schemes:

.....

(6) KOROSTOVETZ is a nephew of the former Russian Minister in Teheran, and appears to be a capable individual. He is subsidised by the Germans, and acts as the chief of a sort of Ukrainian Information Bureau for the WOLF-HOFFMAN combination as well as for the Auswärtiges Amt. Thanks to his good society connections in Berlin, particularly in diplomatic circles, he is able to pick up scraps of information, which in his skilful hands are easily magnified into full and detailed reports.

(7). The SKOROPADSKY Party would be of no political importance were it not for the fact that it is being used by the German Authorities for the purpose of securing information and for furthering German interests in South Russia and Poland. In addition to a subsidy from the Auswärtiges Amt, the group has been in receipt of various sums from WOLF and other German industrialists interested in the Ukraine; but recently these people have transferred their affections to a new group which has its headquarters in Munich. This group consists of KANAVALETZ, the former Commander of the Galician Corps, ZELINSKY and a number of 'intellectuals' and former

/officers

officers who have seceded from the SKOROPADSKI party. One of their henchmen, , POLTAVETZ-OSTRANITS, has succeeded in forming a combination with the Baltic emigres KURSEL, MANTEUFEL, KLEIST and certain German industrialists and officers, and with the writer REICHBERG. They are now working hand in hand with HOFFMAN and WOLF, who, however, maintain their connection with SKOROPADSKY.

.....

15a

From The Rev. E. POWELL,
Hon. Sec. & Treas. of The Royalist International,
British branch.
Church House, Hungerford, Berks

To SALZMANN,
45, Holland Park, W.11.

Date of Letter

Date of Postmark

Photostat of original filed in O.F.502/2. (3a)

SUMMARY OF CONTENTS

Is delighted that von SALZMANN has joined the Royalist International, and will help in German affairs. Thinks his suggestion that the Conservative and Nationalist Societies in Germany should be invited to affiliate to the R.I. an excellent one, but thinks it would be desirable to have in Germany a National branch, and that Baron Von KLEIST could help.

.....

For translation see attached sheet.

COMMENT

(a) No action required. P.A.

(b) See Minute ()

Initials

(date)

Handwritten: J. J. 29/9/61

COPY.

*Dear Miller -**This is an old ref. w/ warning card still on Index.*ARRIVAL.*M.C./S. 1926.**122. 11/8/37**16a*Copy of Card in Traffic Index.*P.F. 42600.*

Port of Embarkation

abroad

Boulogne

Name

KAROUMDJIEFF. Scharif.

Age

45

Sex

M

Names and ages of dependants
under 16 accompanying

--

Occupation

Journalist.

Nationality

Bulgarian

Nationality at Birth

Bulgarian.

Proposed address in United Kingdom

80, St. Helen's Court, E.C.3.

I.O. Stamp No.

9

Port

Folkestone. 1.8.33.

Description of Passenger

and class travelled

B.V.1.

Other information

Few days.

Emb. 3.8.33.

*20
29/9/67*

17A

17th August 1933.

Dear [REDACTED]

If you have a moment do write to Tuff and ask them if they know anything about the doings of ^{P.F. 412600.} Scharif KAROUMDJIEFF, the Bulgarian journalist who came to England for a short time at the beginning of this month. I think he is mixed up somehow with the U business. He is an old ally of Sumbatoff's. If you should find time to let me have a word, I should be very grateful.

Yours sincerely,

Copy in list 253. (3).

PL
J
24/9/61